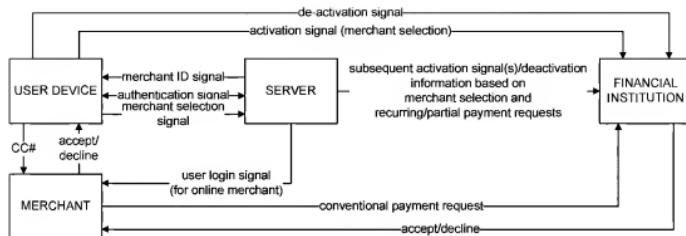


**REMARKS**

The following remarks are submitted to be fully responsive to the Non-Final Office Action of December 29, 2009. Claims 1, 3-5, 9-18, 20-22, 26-27 and 30-61 are still pending in the present application, with claims 1, 26 and 27 amended to correct the noted and discovered informalities. No new matter is introduced (see, e.g., FIGs. 4, 29, 32, and 35 and descriptions thereof, and paragraphs [0073]-[0076], [0195] and [0209] of Applicants' published application). Reconsideration and allowance of the present application in view of the following remarks are respectfully requested.

First, Applicants wish to thank Examiner Wong and SPE Kramer for the personal interview conducted with Applicants' undersigned attorney on May 18, 2010. During the interview, Applicants' undersigned attorney noted the novel features of the invention of independent claims 1 and 26-27, as amended, as substantially submitted herewith, over the applied references, Chechio (United States Patent 6,052,675), D'Agostino (USP 6,324,526), Berke (United States Patent 6,629,092), McAllister (United States Patent 5,513,250), and Filcroft et al. (United States Patent Application 20030028481).

Specifically, although no agreement was reached, Examiner Wong and SPE Kramer indicated that the claim amendments corresponding to the below diagram and reciting the signals that go between the client, server and merchant devices, wherein the server is configured to authenticate the user via an authentication signal of the device of the user while the user is at an online or offline site of a merchant selected based on the merchant identification signal, and for an online merchant log in the user via a login signal sent to the online merchant selected based on the merchant identification signal, and the reusable, pre-existing, unaltered and permanent credit or debit card account number is de-activated by the user device via a de-activation signal sent by the user device to the financial institution after the payment request is processed and accepted by the financial institution, would overcome the outstanding 35 USC §101 rejection, and the 35 USC §103 rejections based on the applied references, pending the Examiner Wong's further search and/or consideration.



Advantageously, the invention of independent claims 1, 26 and 27 can protect a conventional credit card, for example, if it is lost or stolen and can be used to process payment requests of both online and offline merchants, including recurring or partial payment requests.

The dependent claims are allowable over the applied references, alone or in combination, on their own merits and for at least the reasons argued above with respect to independent claims 1 and 26-27.

In view of the foregoing, it is submitted that the present application is in condition for allowance and a notice to that effect is respectfully requested. However, if the Examiner deems that any issue remains after considering this response, the Examiner is invited to contact the undersigned attorney to expedite the prosecution and engage in a joint effort to work out a mutually satisfactory solution.

Respectfully submitted,

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